

SCIENCE AND TECHNOLOGY

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

The Committee recommends a total of \$468,400,000 for the appropriations accounts under the National Institute of Standards and Technology (NIST) for fiscal year 1997. This amount is a reduction of \$357,584,000 from the budget request, and is a decrease of \$151,174,000 below the amounts appropriated for fiscal year 1996. A description of each account and the Committee recommendation follows:

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

The Committee has provided \$268,000,000 for the Scientific and Technical Research and Services (core programs) appropriation of the National Institute of Standards and Technology. This amount is a reduction of \$2,744,000 from the budget request and an increase of \$9,330,000 above the fiscal year 1996 appropriation. The amounts provided for this account reflect the Committee's continuing commitment to providing resources for basic research programs that benefit the nation's industries. The Committee notes that, in an era of declining budgets, the core programs of NIST have received significant support, and are one of the few programs in the Department to receive an increase over the current fiscal year.

The following is a breakdown of the amounts provided under this account by activity, reflecting the priorities included in the budget request and in the House-passed Omnibus Civilian Science Authorization (H.R. 3322). This distribution should be used as the basis for any proposed reprogramming of funds:

Electronics and Electrical Engineering	\$37,100,000
Manufacturing Engineering	18,500,000
Chemical Science and Technology	32,000,000
Physics	27,000,000
Material Sciences and Engineering	52,000,000
Building and Fire Research	12,000,000

**“Taken from House Report 104-676
FY 1997 House Report...”**

Applied Mathematics & Scientific Computing	41,500,000
Technology Assistance	18,000,000
Baldrige Quality Awards	2,900,000
Research Support	27,000,000
Total, STRS	268,000,000

The Committee remains concerned about the rapid growth of overseas personnel from non-foreign affairs agencies. The Committee continues the directive included in last year's report disapproving of the placement of any additional NIST personnel overseas.

Quality Program.--The Committee has provided \$2,900,000 for the base NIST Quality Program, which includes the Malcolm Baldrige National Quality Award. The Committee fully endorses the continuation of the basic Baldrige award program, but has not provided funds to support any new programs.

INDUSTRIAL TECHNOLOGY SERVICES

The Committee recommends \$200,400,000 for the Industrial Technology Services appropriation of the National Institute of Standards and Technology. This amount is \$100,527,000 below the current appropriation available for fiscal year 1996, and is \$249,600,000 below the budget request.

Manufacturing Extension Partnership Program: The Committee has included \$89,900,000 for the Manufacturing Extension Partnership (MEP) Program. The recommendation provides the following:

Regional Programs	\$81,100,000
National Programs/Administration	8,800,000
Total, MEP	89,900,000

The recommendation provides the full amount requested for continuation of eligible existing centers, including the rollover costs of the remaining 15

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Centers originally funded under the Technology Reinvestment Program under the Defense Department. The bill does not include proposed language allowing the Centers that have already reached their statutory six-year time limitation to continue to be funded beyond their current six-year contract. The Committee believes such a change is more appropriately addressed through the authorization process. The Committee notes that reauthorization for the MEP program, which recently passed the House, did not include any changes to this statutory limitation.

The Committee is aware that NIST is currently in the process of completing the final competition for new Centers, and encourages NIST to give special consideration to locating additional Centers in rural areas to ensure that such areas have access to these services.

Advanced Technology Program: The Committee provides \$110,500,000 for the Advanced Technology Program (ATP). The recommendation includes bill language prohibiting the use of any funds, including prior year carryover, from being used for new competitions. The recommendation provides sufficient funding to pay the continuation costs of awards previously made to small businesses which are least likely to have available private financing. The Committee notes that of the 280 ATP awards made to date, major U.S. corporations have been the beneficiary, in whole or part, of 51% of all awards. Some major corporations have benefited from as many as 18 awards. In light of its commitment to balance the federal budget, the Committee cannot justify the expenditure of scarce federal resources to provide grants to supplement the R&D budgets of major corporations which have the very best access to private sources of financing and are the ultimate beneficiaries of the successful commercialization of these projects.

CONSTRUCTION OF RESEARCH FACILITIES

The Committee does not recommend any new funding under this account for construction of NIST facilities. This amount is a decrease of \$59,977,000 below the amount appropriated for the current fiscal year, and is budget request.

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Last September, at a time when Congress was considering a rescission of \$152,933,000 in this account, NIST obligated \$51,600,000 in balances in this account. The Committee discovered these funds were obligated for long-term design and construction management activities for work that may not begin for several years, if at all. A review by the Department's Inspector General determined that \$31,800,000 of these funds were obligated in violation of federal government contracting regulations and were of questionable programmatic value. The Committee does not find acceptable the obligation of funds for projects that have not yet been given final approval by the Congress, and in a manner which violated federal government contracting regulations.

The Committee understands that the Department, in response to the Inspector General's findings, has now determined that at least \$20,000,000 of the \$31,800,000 originally considered obligated are not, in fact, obligated and will carry over into fiscal year 1997 and be available for expenditure for other purposes. Therefore, the Committee has provided no additional funding for this appropriation. The Committee expects NIST to utilize the \$20,000,000 in unobligated funds to meet NIST's high-priority facilities maintenance projects.

In addition, the Committee is concerned that NIST has failed to realistically prioritize its short and long-term facilities needs to reflect budgetary realities, although directed to do so in the fiscal year 1996 House report. While supportive of efforts to address the technical obsolescence of NIST facilities, the Committee believes a reassessment is necessary in light of reduced program and staffing levels and overall fiscal constraints. Thus, the Committee has provided no funding for new construction projects. The Committee is deferring action on additional major construction projects for NIST, pending a re-evaluation by NIST of its long-term facilities needs.

This program supports all NIST activities by providing the facilities necessary to carry out the NIST mission. The Institute has proposed a multiyear effort to construct advanced technology laboratories and to renovate NIST's current buildings and laboratory facilities in compliance with more stringent science and engineering program requirements.